

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 00686 310530Z

17

ACTION EA-10

INFO OCT-01 EUR-12 IO-10 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05 L-02

LAB-04 NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01

SS-15 STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 FEA-01 /109 W

----- 106343

R 310439Z JAN 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4947

INFO USMISSION OECD PARIS

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

USMISSION GENEVA

AMCONSUL BRISBANE VIA POUCH

AMCONSUL MELBOURNE VIA POUCH

AMCONSUL PERTH VIA POUCH

AMCONSUL SYDNEY VIA POUCH

LIMITED OFFICIAL USE CANBERRA 0686

GENEVA FOR MTN DELEGATION

SYDNEY ALSO PASS USTC

E.O. 11652: NA

TAGS: EGEN, ETRD, AS

SUBJ: NEW GOA MOVES TO BOLSTER ECONOMY

REF: CANBERRA 0628

1. IMMEDIATELY FOLLOWING MEASURES TO RESTRICT AUTO
IMPORTS AND STIMULATE DOMESTIC AUTO SALES DESCRIBED
REFTEL, GOA ANNOUNCED JANUARY 29 FOUR ADDITIONAL STEPS
TO COMBAT POLITICALLY-DISASTROUS FOUR PLUS PERCENT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 00686 310530Z

UNEMPLOYMENT LEVEL.

2. MEASURES ANNOUNCED INCLUDE ABANDONMENT OF CAPITAL GAINS TAX INTRODUCED IN 1975 BUDGET. INDUSTRIES ASSISTANCE COMMISSION REVIEW OF 1974 DECISION TO ABOLISH SUPER-PHOSPATE BOUNTY FOR FARMERS, URGENT ASSIGNMENT TO TEMPORARY ASSISTANCE AUTHORITY TO RECOMMEND WHETHER TARIFF LEVEL ON LARGE COLOR TELEVISION RECEIVERS SHOULD BE RAISED FROM 35 TO 45 PERCENT AND SCHEDULING OF FEBRUARY 14 STATE PREMIERS CONFERENCE TO DISCUSS ADDITIONAL NATIONAL GOVERNMENT FINANCIAL ASSISTANCE TO STATES TO HELP THEM MAINTAIN LOCAL EMPLOYMENT.

3. EMBASSY COMMENT: ALL FOUR MEASURES REPRESENT REVERSAL OF PREVIOUS DIRECTION OF GOA GOVERNMENT. CAPITAL GAINS FEATURE OF LAST BUDGET HAILED AS ACHIEVEMENT OF LONG-SOUGHT LABOR PARTY TAX OBJECTIVE. ABOLITION OF SUPER-PHOSPATE BOUNTY WAS PROPERLY CELEBRATED AS MEASURE OF ECONOMIC RATIONALITY TO ACCOMPANY TARIFF LIBERALIZATION. AUSTERE LINE ON FEDERAL FINANCIAL AID TO STATES WAS EMPHATICALLY PRESCRIBED BY WHITLAM BEFORE 1974 BUDGET SESSION. THIRTY-DAY STUDY OF INCREASED TARIFF PROTECTION FOR LARGE-SIZE COLOR TELEVISION INVITES REVERSAL OF 1973 DECISION TO APPLY MODERATE PROTECTION TO THIS ITEM IN INTEREST OF CONSUMERS. THESE MEASURES TOGETHER WITH AUTOMOBILE MEASURES REFTEL AND NUMEROUS IMPORT RESTRICTIVE MEASURES ALREADY ADOPTED OR UNDER STUDY DRAMATICALLY ILLUSTRATE EXTENT TO WHICH LABOR GOVERNMENT HAS BEEN FORCED TO ABANDON SPECIFIC ECONOMIC AND SOCIAL OBJECTIVES OF ITS ORIGINAL PROGRAM IN FACE OF SERIOUS UNEMPLOYMENT AND SINKING PUBLIC SUPPORT. BARRING SURVIVAL OF WHITLAM GOVERNMENT INTO PERIOD OF SIGNIFICANT ECONOMIC RECOVERY IT IS UNLIKELY GOA WILL SOON REVERT TO COURAGEOUS PURSUIT OF INDUSTRIAL RESTRUCTURING AND ECONOMIC RATIONALIZATION WHICH FEATURED INITIAL PERIOD OF WHITLAM MINISTRY AND WHAT IS SO DESPERATELY NEEDED IN LONG-RUN, ESPECIALLY BY INEFFICIENT, NON-COMPETITIVE AUSTRALIAN INDUSTRIAL ECONOMY. EVEN IN EVENT OF SUCH SURVIVAL, WHITLAM GOVERNMENT'S TRAUMATIC POLITICO-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 00686 310530Z

ECONOMIC EXPERIENCE SINCE MID-1974 LIKELY TO MAKE BOTH IT AND FUTURE AUSTRALIAN GOVERNMENTS OF ANY STRIKE WARY OF SIGNIFICANT MEASURES FOR ECONOMIC RATIONALIZATION AND TO ENCOURAGE LINGERING IN POLITICALLY COMFORTABLE REFUGE OF HIGH WAGES, HIGH COSTS AND LOW PRODUCTIVITY.
HARROP

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, UNEMPLOYMENT, ANTIINFLATIONARY PROGRAMS, AUTOMOBILES, IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CANBER00686
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750035-0829
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975014/aaaaacva.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 CANBERRA 0628
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2003 by BoyleJA>; APPROVED <19 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW GOA MOVES TO BOLSTER ECONOMY
TAGS: EGEN, ETRD, AS
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006